



# EFT EXCHANGE

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## ETA



*Electronic Transfer Account*

## Gore, Rubin Announce Final Details of Low-Cost Account

Vice President **Al Gore** and then-Treasury Secretary **Robert E. Rubin** announced on June 30 the final details of the Electronic Transfer Account (ETA<sup>SM</sup>) at the historic Old Customs House in New York City. The ETA is a low-cost account that will provide Federal payment recipients with the opportunity to receive their Federal payments through Direct Deposit.

"This is going to save a lot of money for families that don't have a lot of money to spare," Vice President Gore said. He also thanked the banks that have agreed to offer this account, calling them "pioneers."

Added Secretary Rubin: "By offering the ETA, these institutions are expanding access and services to their communities, helping to bring more Americans into the financial services mainstream. ETAs will provide a simple, safe, and secure way to receive Federal payments."

The first banks to commit to offer the ETA are Banco Popular de Puerto Rico & N.A., Bank of America, Britton & Koontz First National Bank, Chase Manhattan Bank, Washington State Bank, and Wells Fargo & Co. All of these institutions will offer this financial product as a way to reach out to a community that has not enjoyed the



Vice President Gore helps launch the ETA.

benefits of the financial mainstream.

"This is a cost-effective way of serving the people," commented **Mark Willis**, senior vice president, Chase Manhattan Bank.

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**Treasury to Host EFT 99 Regional Meetings in September—See back page for cities/dates.**

## ETA Becomes a Reality for Millions of Americans

BY GARY GENSLER

Under Secretary for Domestic Finance

Unique in its concept, the Treasury Department's Electronic Transfer Account (ETA<sup>SM</sup>) will soon be available to millions of Federal payment recipients who do not have their own financial accounts.

The ETA is designed to offer Federal Government payment recipients, especially those without a financial account, an affordable and practical way to receive their payments safely and conveniently through electronic funds transfer, or EFT. Working with both financial and consumer-based organizations, we have been able to create a low-cost, easy-to-use account that will allow



many individuals to enter the financial mainstream and receive their Federal payments simply, safely, and securely. Similarly, this program will afford financial institutions with the opportunity to provide financial access to underserved communities and to enhance basic financial literacy for millions of Americans.

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# Puerto Rico Community Outreach Round Table



In Puerto Rico, Donald Hammond and Wilfredo Seda, from left facing camera, lead a discussion on EFT 99 and the ETA with representatives of community and consumer groups, the financial community, and government agencies.

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The ETA will be offered only through federally insured banks, thrifts, and credit unions. Financial institutions choosing to offer the ETA will be required to enter into a Financial Agency Agreement, or FAA, with the Department of the Treasury.

All Federal payment recipients who receive Social Security, Supplemental Security Income (SSI), veterans benefits, Federal employee salary or retirement, military salary or retirement, or Railroad Retirement payments can take advantage of the ETA.

On July 16, Treasury published in the Federal Register the final ETA features, thus implementing provisions of the Debt Collection Improvement Act of 1996 (DCIA). The DCIA requires that all Federal payment recipients have access to an account at a reasonable cost and with the same consumer protections afforded other account holders at the same financial institution.

This fall, Treasury plans to begin educating eligible payment recipients about the ETA by continuing the extensive Electronic Funds Transfer (EFT) 99 public education campaign, working with consumer and community-based organizations and with financial institutions to educate recipients about their payment options. The ETA will be an additional option for these recipients to receive their payments. Other options for receiving Federal payments include Direct Deposit through any commercially available account of a recipient's choice, or a paper check if getting payments electronically would cause a hardship.

To learn more about the ETA, visit the Financial Management Service Web site: [www.fms.treas.gov/eta](http://www.fms.treas.gov/eta). You may also contact Sally Phillips on (202) 874-7106; Matthew Friend, 874-7032; Matthew Helfrich, 874-6754; or Steve Kenneally, 874-6799.

# Forum Highlights ETA for Island's Federal Payment Recipients

On July 22, at a Social Security Administration (SSA) facility in Guaynabo, PR, Treasury Fiscal Assistant Secretary **Donald Hammond** addressed more than 20 representatives from diverse community and consumer groups, government, and the financial community on Electronic Funds Transfer (EFT) 99 choices, including the new, low-cost Electronic Transfer Account (ETA<sup>SM</sup>), Direct Deposit, or paper check. The forum was one of a series of community outreach round tables facilitated by the Northeast Regional Team on the Department of the Treasury's public education campaign. **Wilfredo Seda**, EFT 99 Regional Manager, invited participants to work with Treasury in collaborative activities to reach and educate recipients on the island about the initiative.

Approximately 1 in 10 (365,000) Puerto Ricans receive Federal payments by check for Social Security, Veterans, Federal employee retirement, and Railroad Retirement. Following the round table, Hammond, **Myrna Perez**, Director of Public Relations, SSA, and **Mariangeli Berlinger**, vice president of retail banking, Banco Popular de Puerto Rico, were interviewed by the media on the ETA.

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The ETA is a voluntary program for both the consumer and the financial institution. Banks, savings and loans, and credit unions that have partnered with Treasury to provide the ETA will offer an account that features at a minimum:

- A monthly fee not to exceed \$3;
- At least four cash withdrawals and four balance inquiries per month at no additional charge;
- No minimum balance, except as required by law;
- Online point-of-sale transactions in the institution's network, such as a grocery store;
- A monthly statement;
- The same consumer protections that are available to other account holders at the financial institution.

The ETA may also include, at the discretion of the participating financial institution, the option to deposit other types of payments into the ETA and/or the payment of interest.

Although the final attributes of the ETA have been completed, we have much more to do. We will first promote the ETA to financial institutions as an opportunity to add to their product lines and to better serve their communities. Then, when the accounts become available we will initiate a nationwide public education campaign in cooperation with Federal agencies, the financial institutions offering the ETA, and through our extensive network of consumer and community organizations. Finally, we will inform and educate individual Federal payment recipients about the ETA and its availability at financial institutions in their area, as well as their choices for receipt of their Federal payments.

# Coalitions, Partnerships, Grassroots Training Are Centerpieces of Community Outreach Campaign

**T**he Department of the Treasury's electronic funds transfer (EFT) public education campaign, better known as EFT 99, has unique and challenging community outreach objectives. Treasury needs to provide accurate and complete information to Federal benefit recipients about their choices for receiving their Federal payments, and Treasury recognizes that financial literacy education about basic financial services is a critical component of this education campaign. There are more than 58 million Federal benefit recipients who receive monthly payments such as Social Security, Supplemental Security Income, veterans benefits, Federal and military retirement, and Railroad Retirement, and as many as 8 million of these lack bank accounts.

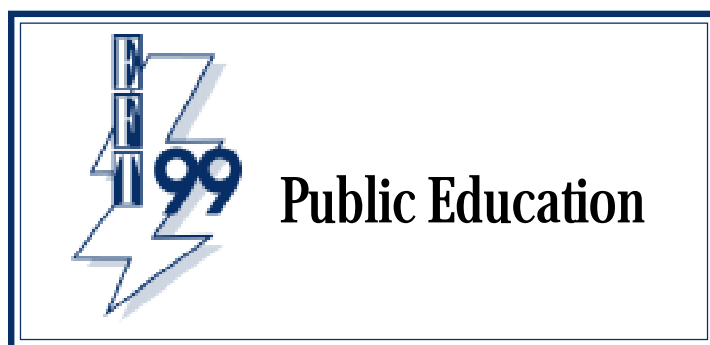
Treasury needs the knowledge and assistance of partner financial institutions and community organizations to help Federal benefit recipients better understand their payment choices. While some Community Development Financial Institutions (CDFIs) are already engaged in the EFT 99 public education campaign, Treasury needs the assistance of all CDFIs in reaching all Federal benefit recipients at the local level.

In early 1998, a group of individuals representing several Federal agencies, consumer and community-based organizations, and financial trade associations formed a working group, the **Financial Services Education Coalition (FSEC)**, to develop a community educator's guide to basic financial services. The FSEC asked Treasury to print and distribute "Helping People in Your Community Understand Basic Financial Services" as an integral part of Treasury's EFT 99 community outreach program. Coalition members developed, pretested, and finalized this educator's guide to coincide with the first EFT 99 regional meetings held in June and July of 1998.

The FSEC member organizations have continued to work closely with Treasury over the past year as partners in the EFT 99 public education campaign on the national, regional, and local levels. Treasury's community outreach activities are being conducted by five regional teams across the country, and the teams consist of a Financial Management Service (FMS)/Treasury staff person, regional manager contractors, and consumer or community-based organization (CBO) subcontractors. The contractors and consumer and CBO subcontractors are engaged in "train the trainer" activities as well as local grassroots training for Federal benefit payment recipients. The FMS staff work closely with the financial community and other Federal, State, and local government agencies to multiply the outreach efforts in targeted States in each region.

In many of the EFT 99 targeted States—States with high volumes of benefit check recipients—Treasury's regional teams have conducted statewide round tables and

strategic planning meetings to identify partner organizations and networks at the State and local levels. EFT 99 partners include organizations such as the American Association of Retired Persons (AARP), area agencies on aging, community action associations and local agencies, State and local consumer agencies and consumer organizations, homeless service providers, and others. Financial community partners include community development credit unions and financial institutions (such as CDFIs), State



banking associations and credit union leagues, Social Security Administration regional and local offices, Federal Reserve district banks, and individual financial institutions.

For more information about how you can participate in Treasury's EFT 99 community outreach education efforts in your area, contact the EFT 99 Community Outreach Coordinator, Eleanor Kelly, at (202) 622-5529, or by e-mail at [eleanor.kelly@do.treas.gov](mailto:eleanor.kelly@do.treas.gov).

## EFT 99 Public Education Campaign Regional Team Managers

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# Whom to call

If you have questions about community initiatives or any other issues relating to EFT 99, please feel free to contact the Financial Management Service and Treasury staff below:

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(Questions from Press/Media only)

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If you would like to be on the *EFT Exchange* mailing list, call David Neidlinger on (202) 842-3600.

## Seven Regional Meetings Slated for Late September

The Department of the Treasury will host the next round of Electronic Funds Transfer (EFT) 99 regional meetings in seven cities during the last 2 weeks of September. The regional teams and their partner organizations will discuss recent policy developments and plans for the next phases of community outreach, including financial literacy education programs in support of the new Electronic Transfer Account (ETA<sup>SM</sup>) choice for Federal benefits.

Each regional meeting will include community-based and consumer organizations and financial trade associations, as well as Federal and State government representatives. The ongoing campaign to maximize awareness of the benefits of

EFT and the choices for Federal payment recipients is the overriding goal and will be the focal point of discussion at each of the meetings. The cities and dates for these regional team meetings are:

Atlanta	September 14
Oakland	September 16
Chicago	September 17
St. Louis	September 21
Philadelphia	September 22
Austin	September 23
New Orleans	September 24

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